



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

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**Auditor of State
Betty Montgomery**

Portage County Regional Planning Commission
Portage County
124 North Prospect Street
Ravenna, Ohio 44266

To the Regional Planning Commission:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

March 17, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Portage County Regional Planning Commission
Portage County
124 North Prospect Street
Ravenna, Ohio 44266

To the Regional Planning Commission:

We have audited the accompanying financial statements of the Portage County Regional Planning Commission, Portage County, (the Commission) as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Commission has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Commission to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Commission has elected not to reformat its statements. Since this Commission does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2005 and 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Portage County Regional Planning Commission, Portage County, as of December 31, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Commission to include Management's Discussion and Analysis for the year ended December 31, 2005. The Commission has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2006, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

March 17, 2006

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General Fund
Cash Receipts:	
Membership Dues	\$133,082
Grants	147,201
Contractual Services	18,688
Subdivisions	63,395
Rental Income	30,574
Transfer Fees	75,000
Other Receipts	11,386
	479,326
Cash Disbursements:	
Salaries	233,853
Fringe and Health Benefits	55,041
Supplies	7,316
Insurance	133
Equipment	14,793
Contracts - Repair	4,497
Contracts - Services	28,808
Utilities and telephone	7,411
Public Employee's Retirement	31,687
Worker's Compensation	4,555
Dues/Periodicals	1,693
Advertising, Photocopying/Printing, Copier	6,122
Loan (Multi Purpose Building)	31,789
Travel/Training	6,052
Building Improvements	5,322
	439,072
Total Receipts Over/(Under) Disbursements	40,254
Fund Cash Balances, January 1	52,329
Fund Cash Balances, December 31	\$92,583
Reserve for Encumbrances, December 31	\$150

The notes to the financial statements are an integral part of this statement.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General Fund
Cash Receipts:	
Membership Dues	\$124,664
Grants	125,323
Contractual Services	13,538
Subdivisions	57,965
Rental Income	30,574
Transfer Fees	102,000
Other Receipts	2,181
	456,245
Cash Disbursements:	
Salaries	227,756
Fringe and Health Benefits	50,592
Supplies	6,360
Insurance	1,583
Equipment	847
Contracts - Repair	7,844
Contracts - Services	42,017
Utilities and telephone	7,056
Public Employee's Retirement	29,892
Worker's Compensation	6,441
Dues/Periodicals	2,485
Advertising, Photocopying/Printing, Copier	6,834
Loan (Multi Purpose Building)	31,401
Travel/Training	1,636
	422,744
Total Receipts Over/(Under) Disbursements	33,501
Fund Cash Balances, January 1	18,828
Fund Cash Balances, December 31	\$52,329
Reserve for Encumbrances, December 31	\$17,760

The notes to the financial statements are an integral part of this statement.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges for the Portage County Regional Planning Commission, Portage County, (the Commission) as a body corporate and politic. The Commission is comprised of 30 voting members and 5 ex-officio members who are charged with the responsibilities of comprehensive planning and implementation programs for Portage County and its communities. The Commission employs professional staff to provide them with assistance and advice in carrying out their responsibilities and also consults with other professionals such as the County Engineer, County Sanitary Engineer, Health Department and the Soil and Water Conservation District staff.

The Commission also serves in an advisory capacity to community decision makers who rely on the data, analysis and planning recommendation which are provided. This helps them make the best decisions possible on issues which can forever alter the character and quality of life within the community.

The Planning Commission also serves as a forum for discussion and sharing of ideas and information among communities about individual community issues, countywide issues that affect many communities and regional issues which cross over political boundaries into other Counties. The Commission is the platting authority for unincorporated areas as per 711.10 of the Ohio Revised Code.

The Commission is a Jointly Governed Organization of Portage County, with the Portage County Auditor being the fiscal agent. The Commission is not part of the Portage County Reporting entity and is excluded from Portage County's financial statements. The Commission is not fiscally dependent on the county. The county is not financially accountable for the Commission beyond the duties stated above.

The Commission formulates and reviews plans affecting long and short term social, physical, economic, development, governmental functions within the region. The participating subdivisions are:

Atwater Township	Aurora City	Brimfield Township
Deerfield Township	Edinburg Township	Franklin Township
Freedom Township	Garrettsville Village	Hiram Township
Hiram Village	Kent City	Mantua Township
Mantua Village	Nelson Township	Palmyra Township
Paris Township	Randolph Township	Rootstown Township
Ravenna Township	Shalersville Township	Suffield Township
Park District	PARTA	County Engineer
Soil & Water	Water Resources	Windham Township
Portage County Commissioner		

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code requires, the Portage County Treasurer is the custodian of the Commission's monies. The County holds the Commission's assets in its cash and investment pool, valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission uses the General Fund, which is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

The Commission budgets the General Fund annually.

1. Appropriations

The Board annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Commission reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2005 and 2004 budgetary activity appears in Note 2.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. Property, Plant, and Equipment

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$539,825	\$479,326	(\$60,499)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$518,253	\$439,072	\$79,181

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$445,909	\$456,245	\$10,336

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$463,935	\$422,744	\$41,191

3. DEBT

Debt outstanding at December 31, 2005 was as follows:

The Portage County Regional Planning Commission requested the Board of Portage County Commissioners to incur debt on their behalf to purchase and rehabilitate property at 122-128 North Prospect St., Ravenna, OH 44266. The purpose was to provide rehabbed office space for the Commission (124 N. Prospect St.) with the other units providing rental income. The debt was financed through U.S. Dept. of Agriculture, Rural Development in two different loans. Loan 1 was for the amount of \$326,000 and closed on Dec. 16, for a term of 25 years at 4.75%. Loan 2 was for \$133,000, which closed on Dec. 20, 2001 for a term of 25 years at 4.75%.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. DEBT – (Continued)

Payments are due December 1 of each year for both loans. The Planning Commission has an informal understanding with the Board of County Commissioners that they will reimburse the general fund for the debt service payment each year and make repairs and improvements to this facility. When the debt is paid off, the understanding is that the property will be transferred to the Regional Planning Commission. The debt shows on the County's debt schedule and the Planning Commission shows the expense for the reimbursement of the debt to the County in its annual budget and appropriations.

The principal balance owed on these loans according to USDA issued Mortgage Statements was \$389,866 at December 31, 2005:

	Principal	Interest Rate
General Obligation Notes-Loan 1	\$269,110	4.75%
General Obligation Notes-Loan 2	120,756	4.75%
Total	\$389,866	

4. RETIREMENT SYSTEMS

The Commission's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OPERS members contributed 8.5 percent of their gross salaries. The Commission contributed an amount equal to 13.55 percent of participants' gross salaries. The Commission has paid all contributions required through December 31, 2005.

5. RISK MANAGEMENT

Commercial Insurance

The Commission is a member of The County Risk Sharing Authority (CORSA) which is a property and liability self insurance pool that was established by the County Commissioners Association of Ohio in 1987. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from member counties. The County Risk Sharing Authority, Inc. (CORSA) is a public entity risk sharing pool among sixty two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, public officials liability and police professional insurance.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

**PORTAGE COUNTY REGIONAL PLANNING COMMISSION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

6. MEMBERSHIP WITHDRAW

The City of Aurora was considered to be a member of the Planning Commission until the Planning Commission settled its action against the city. Settlement entry was made on July 19, 2005, payment was made and the City of Aurora was permitted to withdraw with no further action.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Portage County Regional Planning Commission
Portage County
124 North Prospect Street
Ravenna, Ohio 44266

To the Regional Planning Commission:

We have audited the financial statements of the Portage County Regional Planning Commission, Portage County, (the Commission) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated March 17, 2006, wherein we noted the Commission followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Commission's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Commissioners, and are not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 17, 2006



**Auditor of State
Betty Montgomery**

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PORTAGE COUNTY REGIONAL PLANNING COMMISSION

PORTAGE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 13, 2006**